

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Develop an  
Electricity Integrated Resource Planning  
Framework and to Coordinate and Refine Long-  
Term Procurement Planning Requirements.

Rulemaking 16-02-007  
(Filed February 11, 2016)

**REPLY COMMENTS OF CALIFORNIA COMMUNITY CHOICE ASSOCIATION ON  
INTEGRATED RESOURCE PLANS OF LOAD SERVING ENTITIES**

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Order Instituting Rulemaking to Develop an  
Electricity Integrated Resource Planning  
Framework and to Coordinate and Refine Long-  
Term Procurement Planning Requirements.

Rulemaking 14-07-002  
(Filed July 17, 2014)

**REPLY COMMENTS OF CALIFORNIA COMMUNITY CHOICE ASSOCIATION ON  
INTEGRATED RESOURCE PLANS OF LOAD SERVING ENTITIES**

**I. INTRODUCTION AND SUMMARY**

Pursuant to the directions set forth in the Amended Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge (“ALJ Scoping Memo”) issued on May 14, 2018, the California Community Choice Association (“CalCCA”) respectfully submits the following reply comments on the Integrated Resources Plans (“IRP”) comments submitted by stakeholders.

CalCCA’s reply comments provide responses to several common themes raised by stakeholders:

- Community Choice Aggregators’ (“CCA”) assumptions of hydro-electric (“hydro”) resources are reasonable and feasible, and will be used to achieve greater renewable integration.
- As demonstrated in CalCCA’s comments on Load Serving Entities’ (“LSE”) IRPs, CCAs will continue to procure more renewable resources leading up to 2030, generally in alignment with the Commission’s Reference System Portfolio.
- A centralized procurement entity for energy and/or capacity is not necessary as CCAs will continue to be compliant with the State’s renewable and reliability

program standards. A centralized procurement entity would illegally undermine the procurement authority of the governing boards of CCAs.

- There is an ongoing need for the Commission to coordinate and collaborate with CCAs, as stated in Decision (“D.”) 18-02-018.
- To help LSEs better understand different metrics that can be used to improve the planning processes and goals for disadvantaged communities, the Commission should hold a series of workshops to examine the refinements proposed by Sierra Club and the California Environmental Justice Alliance (“CEJA”).
- For purposes of IRP planning, the Commission should assume that the intra-compliance period targets between the compliance period targets set by Senate Bill (“SB”) 100 for the Renewable Portfolio Standard (“RPS”) program are phased in linearly while the Commission adopts the actual targets in the RPS proceeding.<sup>1</sup> LSEs should submit their future IRPs based on the new targets. However, LSEs should not be required to re-submit their 2017-2018 IRPs as SB 100 was signed into law after the IRPs have already been submitted, and CalCCA’s members do not anticipate any changes in procurement due to SB 100 prior to the 2020 deadline for the next IRP submittal.

## **II. REPLY COMMENTS OF CALCCA**

### **A. The hydro resource availability assumed by CCAs is reasonable, and will be used to integrate with intermittent renewable resources to ensure grid reliability.**

#### ***1. The projected amount of Out-of-state large hydro and Asset Controlling Supplier resources should be available as evidenced by existing***

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<sup>1</sup> While SB 100 specifies the RPS percentage for 2020 (33%) and 2024 (40%), the Commission must set the RPS targets for 2021, 2022, and 2023. RPS compliance measurement is based on LSE sales during each year, multiplied by the applicable RPS percentage.

***contracts in similar volumes – additional existing in-state and import capacity is likely available as well.***

Several parties raised concerns about the future reliance of CCAs on out-of-state (“OOS”) large hydro resources to meet greenhouse gas emission targets.<sup>2</sup> As discussed below, CalCCA disagrees that there is insufficient capacity to meet the planned procurement. However, aggregating individual LSE plans to understand resource supply at the macro level is the intent of the IRP process. If the Energy Division’s analysis does conclude that there is not enough hydro or import capacity available to meet LSE’s planned procurement, LSEs will then need to seek other GHG-free resources to replace their hydro resource assumption.

The aggregated data from the CCA IRP filings show that the largest projected need for large hydro in aggregate was not much higher than what has already been contracted. CalCCA’s initial public comment filed on September 12, 2018 listed the total contracted large hydro resources by all operational CCAs in 2018 and compared it against the largest total projected additional large hydro requirement which happened to be in 2022. The difference showed a projected incremental large hydro resource requirement of approximately 1,000 MW in 2022, and consisted of various large hydro resources including existing California Independent System Operator (CAISO) resources, existing non-CAISO resources, existing OOS resources, and Asset Controlling Supplier (ACS) resources.<sup>3</sup>

To better understand the potential reliance on future OOS large hydro and ACS resources, CalCCA analyzed the breakdown of the existing and future/projected large hydro resources of the

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<sup>2</sup> The Utilities Reform Network (“TURN”) comments at page 8, American Wind Energy Association California Caucus (“ACC”) at page 5, Sierra Club and CEJA comments at page 2, California Wind Energy Association (“CalWEA”) at page 6, Center for Energy Efficiency and Renewable Technology (“CEERT”) at page 7, Defenders of Wild Life and The Nature Conservancy (“TNC”) at page 5, Environmental Defense Fund (“EDF”) at page 13.

<sup>3</sup> See CalCCA comments at p. 12

CCAs per their IRP filings.<sup>4</sup> Specifically, the “large hydro” resources in the Clean Net Short Calculator were broken down into Existing\_CAISO\_LargeHydro, Existing\_Non-CAISO\_CA\_LargeHydro, Existing\_OOS\_LargeHydro, and ACS LargeHydro.<sup>5</sup> As can be seen in Table 1 below, the results show that out of a total 4,036 MW of contracted large hydro resources in 2018, approximately 3,000 MW is coming from a combination of OOS large hydro and ACS (Chart 1 below graphically illustrates the existing contracts by year, MW, and resource type). Table 2 below shows that the largest future/projected large hydro resource is also from OOS large hydro and ACS combined, which had a projected total of approximately 3,000 MW in 2026, revealing that the projected amount of OOS large hydro and ACS required in 2026 is nearly the same as what has already been contracted with existing resources in 2018 (Chart 2 below graphically illustrates the projected contracts by year, MW, and resource type).<sup>6</sup> Given the existing contracted capacity of OOS large hydro and ACS resources, the same amount should be available in the future through re-contracting, and the concern over the reliance of OOS large hydro and ACS by CCAs appears to be misplaced.

**Table 1**

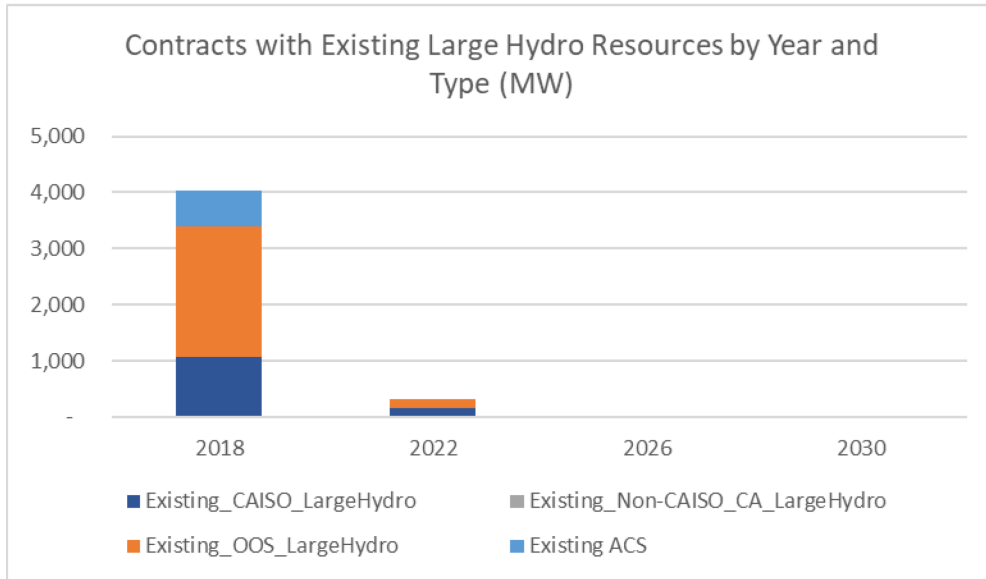
<b>Contracted with Existing Resources (MW) - Resources with CAISO Resource ID or WECC CEC-RPS-ID</b>					
<b>Capacity Inputs (MW)</b>					
<b>Candidate Resource</b>	<b>Type</b>	<b>2018</b>	<b>2022</b>	<b>2026</b>	<b>2030</b>
Existing_CAISO_LargeHydro	<i>Large Hydro</i>	1,063	151	-	-
Existing_Non-CAISO_CA_LargeHydro	<i>Large Hydro</i>	-	-	-	-
Existing_OOS_LargeHydro	<i>Large Hydro</i>	2,325	170	-	-
Existing ACS	<i>Large Hydro</i>	648	-	-	-
<b>Total</b>	<i>Large Hydro</i>	<b>4,036</b>	<b>321</b>	<b>-</b>	<b>-</b>

<sup>4</sup> The actual future large hydro resources utilized by CCAs will be those identified through various solicitations and their corresponding responses. When such solicitations are administered, proposed project opportunities will be evaluated based on cost, relative value, portfolio fit, location, and other considerations that may be important to the CCAs that are considering such opportunities.

<sup>5</sup> The Clean Net Short Calculator only allowed for a single “large hydro” category for all large hydro resources.

<sup>6</sup> It is important to note that the MW calculated is likely overstated due to the low capacity factor for large hydro assigned by the RESOLVE model.

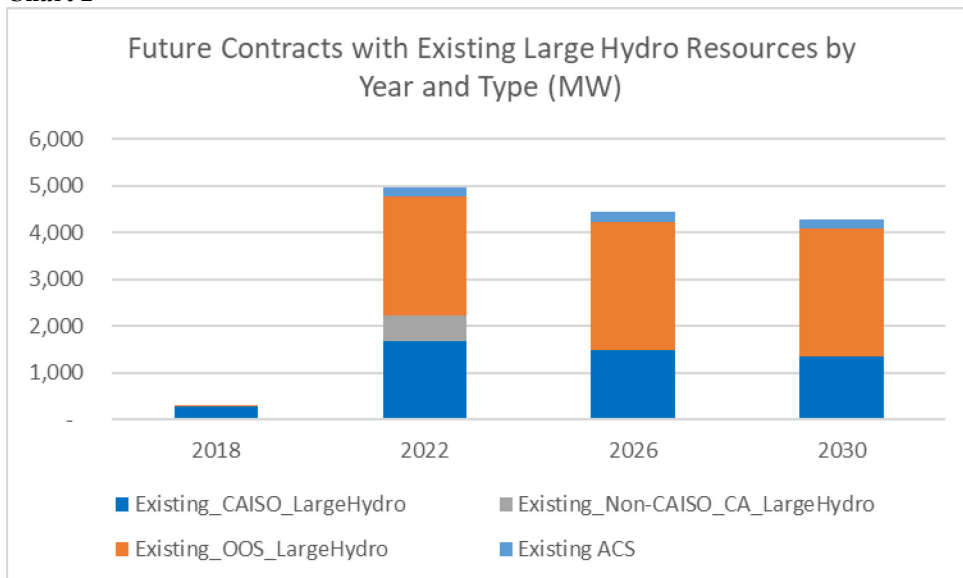
**Chart 1**



**Table 2**

Future Contracts (including Recontracting) with Existing Resources (MW) - Resources with CAISO Resource ID or WECC CEC-RPS-ID					
Capacity Inputs (MW)					
Candidate Resource	Type	2018	2022	2026	2030
Existing_CAISO_LargeHydro	Large Hydro	279	1,691	1,479	1,352
Existing_Non-CAISO_CA_LargeHydro	Large Hydro	-	549	-	-
Existing_OOS_LargeHydro	Large Hydro	1	2,532	2,760	2,728
Existing_ACS	Large Hydro	-	203	203	203
<b>Total</b>	<i>Large Hydro</i>	<b>280</b>	<b>4,975</b>	<b>4,442</b>	<b>4,283</b>

**Chart 2**



To further alleviate concerns about the availability of large hydro resources, note the large amount of existing large hydro capacity within California as specified by the RESOLVE model.<sup>78</sup> If and when IOUs begin selling their excess energy resources procured on behalf of CCA customers before they departed, these in-state resources can substitute for the CCAs' OOS large hydro.

As already indicated, approximately 3,000 MW of OOS large hydro/ACS is already under contract in 2018 and more than adequate capacity should be available in future years based on expected re-contracting. Adequate transmission capacity should also be available to meet the planned CCA demand from OOS large hydro and ACS resources at the California Oregon Intertie<sup>9</sup> and Pacific DC Intertie<sup>10</sup>.

**2. *California's diverse renewable portfolio will not be replaced by Northwest (NW) hydro resources.***

Some parties are concerned that the preference use of NW hydro resources by LSEs would replace California's current diverse renewable resources.<sup>11</sup> This claim is not supported by evidence, and does not properly consider mandated RPS goals that all LSEs must meet, including CCAs.

As Powerex stated in its comments, NW hydro resources can be utilized to enable further integration of California renewable resources, and to meet the new policy goals set by SB

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<sup>7</sup> See CPUC RESOLVE IRP Inputs and Assumptions [http://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/UtilitiesIndustries/Energy/EnergyPrograms/ElectPowerProcurementGeneration/LTPP/2017/RESOLVE\\_CPUC\\_IRP\\_Inputs\\_Assumptions\\_2017-05-15.pdf](http://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/UtilitiesIndustries/Energy/EnergyPrograms/ElectPowerProcurementGeneration/LTPP/2017/RESOLVE_CPUC_IRP_Inputs_Assumptions_2017-05-15.pdf)

<sup>8</sup> Approximately 4,600 MW of the CAISO large hydro capacity is owned and/or contracted with PG&E (3,569 MW) and SCE (1,013 MW). See: [https://www.energy.ca.gov/almanac/renewables\\_data/hydro/](https://www.energy.ca.gov/almanac/renewables_data/hydro/)

<sup>9</sup> WECC Path Rating Catalog, February 2013.

<sup>10</sup> WECC Path Rating Catalog, February 2015.

<sup>11</sup> CalWEA comments at page X.



100.<sup>1213</sup> LSEs must maintain clean portfolios that have a balance of renewable resources, including solar, wind and geothermal,<sup>14</sup> as well as GHG-free resources, such as hydro and battery storage, to maintain grid reliability. As shown in the aggregated renewable portfolio plans of the CCAs in CalCCA’s public comment,<sup>15</sup> there is a steady growth in new-build renewable resources from 2022 through 2030. Because LSEs are required to procure at least 60% of their portfolios from RPS-eligible resources, pursuant to SB 100, and because many CCAs already have higher RPS goals than mandated,<sup>16</sup> the claim that LSEs’ procurement of NW hydro will somehow undo California’s renewable resource diversity is not supported by any record evidence, and could undermine achieving California’s climate goals while maintaining affordable rates.

**3. *The claim of resource shuffling is unsubstantiated.***

TURN stated in its comments that LSEs need to demonstrate that their procurement of imported resources must not shift emissions to other states,<sup>17</sup> but has not offered *any* actual evidence that resource shuffling is occurring. While CalCCA’s members intend to fully comply with the statute, CalCCA urges the Commission to conduct a transparent and collaborative process to study the extent that resource shuffling currently exists in the period of time after the CARB defined and prohibited the practice, and to identify cost effective ways to prevent such practice, if it has in fact continued.<sup>18</sup>

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<sup>12</sup> Powerex comments at page 2.

<sup>13</sup> SB 100 directs LSEs to procure 60% of their portfolios from RPS-eligible resources by 2030, and 100% of LSEs’ portfolios must be generated by GHG-free resources.

<sup>14</sup> See CalCCA comments.

<sup>15</sup> See Chart 5 in CalCCA comments.

<sup>16</sup> See CalCCA comments on page 21. Marin Clean Energy (“MCE”), Peninsula Clean Energy (“PCE”), Clean Power Alliance (“CPA”), Clean Power San Francisco (“CleanPowerSF”), and San Jose Clean Energy (“SJCE”) all have RPS goals higher than the 60% required by SB 100.

<sup>17</sup> TURN comments at page 3.

<sup>18</sup> See the ALJ Ruling, issued on May 25, 2018, at page 18.

In stark contrast to TURN’s assertions, Powerex, Public Generating Pool (“PGP”), and Chelan Public Utilities District (“PUD”) point out in their comments that existing laws and regulations in Washington, Oregon, and British Columbia already implement mechanisms to address TURN’s stated concerns. First, Pacific NW utilities can only sell *excess* supply to retailers outside of the Pacific NW. PGP’s comments demonstrate that the electricity generated by NW hydro and exported to California is a small fraction of the overall hydro power in the NW.<sup>19</sup> Second, NW hydro resources are subject to specific CARB requirements to prevent resource shuffling.<sup>20</sup> Shell Energy of North America (“Shell”) further noted that the CARB’s cap-and-trade regulation already precisely defines resource shuffling, and that purchasing large OOS hydro resources does not automatically constitute resource shuffling based on the CARB’s definition.<sup>21</sup> This framework directly addresses resource shuffling concerns. Nevertheless, CalCCA does support a transparent and collaborative process to study the matter further.

To achieve the policy goals of SB 100, LSEs need to have access to a diverse set of renewable and GHG-free resources, including California and NW hydro resources. CalCCA agrees with Chelan PUD that *if* the Commission’s study finds that resource shuffling does occur, the Commission should narrowly target resource shuffling without placing a blanket prohibition on NW hydropower.<sup>22</sup>

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<sup>19</sup> PGP comments at pages 2-3.

<sup>20</sup> Powerex comments at pages 2-3, Chelan PUD comments at page 4.

<sup>21</sup> Shell comments at pages 5-6.

<sup>22</sup> *Ibid.*

**B. Establishing a central procurement entity to purchase resources on behalf of all customers will be costly to ratepayers.**

***1. The Commission has already determined that directed procurement in advance of the expiration of federal tax credits for wind and solar resources would incur dubious ratepayer savings.***

D.18-02-018 has already determined that the ratepayers may not benefit from the federal tax credits and therefore, additional renewable procurement beyond the RPS requirements is unwarranted.<sup>23</sup> Despite these findings, several parties continue to advocate for advanced and centralized procurement.<sup>24</sup> Some parties even go a step further and propose that the Commission establish an entity to procure resources by exercising the authority granted to the Commission in Public Utilities Code Section 399.13(f). Parties also suggested that procurement on behalf of CCA customers is necessary, since most CCAs have yet to obtain credit ratings.<sup>25</sup> CalCCA opposes the establishment of any central procurement entity for RPS-eligible resources, and disagrees with the claims related to the need to procure on behalf of CCA customers.

As stated above, the Commission has already determined that the ratepayer benefits that would be incurred from procurement in advance of the federal tax credits expiring is highly uncertain. The Commission has also stated that while the developers may incur the benefits in the near-term, the cost savings may not be passed on to the ratepayers.<sup>26</sup> CalCCA agrees with the Commission's decision, and notes that over-procurement of resources, especially in the case where there is uncertainty associated with load migration, will likely result in higher costs for ratepayers. Such is the case with California's energy market, as customers migrate to CCA load

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<sup>23</sup> D. 18-02-018 at pages 98-99.

<sup>24</sup> ACC at pages 3-4, Vote Solar at page X, LSA at page X, CalWEA at page 4.

<sup>25</sup> CalWEA at page 4, ACC at page 3-4.

<sup>26</sup> Ibid.

from IOU load, and Direct Access (“DA”) has been reopened in a limited fashion as a result of SB 237.<sup>27</sup> There may be more uncertainty if the cap on DA is either further revised or lifted.

Second, the claim that procurement on behalf of CCAs and their customers is needed due to the lack of credit ratings is simply not supported by evidence readily available in the market and to all parties that CCAs are procuring significant new resources. Prior to receiving its credit rating in 2018, MCE had already contracted directly for significant amounts of wind, solar, and biogas resources within California.<sup>28</sup> Sonoma Clean Power (“SCP”) also has a steady track record of signing Power Purchase Agreements (“PPAs”), including constructing 70 MW of new solar in central California in 2016 and repowering 46 MW of wind in the Altamont Pass in 2017. SCP also recently signed a PPA for an 80 MW northern California wind resource and 50 MW of solar in Northern California coupled with 5 MW of battery storage. In just under two years of operation, PCE has signed five wind and solar PPAs in California, ranging from 11.7 MW to 200 MW.<sup>29</sup> Most recently, Monterey Bay Community Power (“MBCP”) and Silicon Valley Clean Energy (“SVCE”), both without credit ratings, jointly procured 200 MW of wind resource delivered to the CAISO, and are in final negotiations for another 128 MW of solar combined with 40 MW of storage in Kern County, and 150 MW of solar plus 45 MW of storage in Kings County.<sup>30</sup> These contracts demonstrate the CCAs’ commitment to developing new renewable resources in California and their active procurement in the market, as well as a track record of renewable energy developers’ willingness to conduct business with CCAs even though not all CCAs have received credit ratings. Simply put, the lack of a credit rating does not mean lack of

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<sup>27</sup> The passage of SB 237 will expand the load that can be served by DA providers.

<sup>28</sup> See Appendix B of MCE’s 2018 IRP for a description of resources: <https://www.mcecleanenergy.org/wp-content/uploads/2017/11/MCE-2018-Integrated-Resource-Plan-FINAL-2017.11.02.pdf>

<sup>29</sup> See Peninsula’s energy sources webpage <https://www.peninsulacleanenergy.com/energy-sources/>

<sup>30</sup> MBCP IRP LSE Standard Plan at page 6.

creditworthiness, nor does it mean resources are not being built. CCAs have supported the development of approximately 2000 MW of long-term renewable energy contracts and continue to do so on behalf of their customers via ongoing solicitations. There is simply no evidence to support the need for a centralized procurement entity for CCAs.

Third, the establishment of a procurement entity on behalf of CCAs' customers in the absence of any clear showing of a failure to procure or clear indication of sustained inability to procure resources would directly contravene the statutory grant of sole procurement autonomy of the governing boards of CCAs under Public Utilities Code Section 366.2(a)(5). Establishing a procurement entity without providing opportunities for CCAs to self-provide would also violate Public Utilities Code Section 454.52(c).

For these reasons, the Commission should reject the proposal to authorize a centralized procurement entity for renewable resources for this IRP cycle.

**2. *The Reliability Threshold Mechanism for capacity resources should be rejected.***

CalCCA shares TURN's concern that Southern California Edison's ("SCE") reliability threshold mechanism could undermine parties' due process rights and lead to procurement that may not be cost-effective, at the expense of ratepayers.<sup>31</sup> If the Commission does find that there is a reliability need, that storage resources can meet that need and, therefore, need to be procured, CCAs must be given the opportunity to procure storage resources to meet the needs for their customers as required by Public Utilities Code Section 454.52(c).

Furthermore, SCE has not properly demonstrated the need for these resources in their IRP as the basis for the Reliability Threshold Mechanism solely relies on the assumption that the IRP

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<sup>31</sup> TURN comments at pages 5-6.

process “has not fully considered the flexible resource availability needed to ensure system and local reliability”, and that there may be natural gas system constraints or local capacity defaults.<sup>32</sup> SCE also did not justify the need for expedited procurement to occur before the next IRP cycle.

If there is indeed a need for flexible system and local resources before the next IRP cycle, the CAISO can utilize its Capacity Procurement Mechanism (“CPM”) to procure resources to meet reliability needs. There is also an ongoing Resource Adequacy (“RA”) proceeding that is aimed at developing a multi-year RA requirement as well as considering a central capacity procurement mechanism to maintain grid reliability while minimizing costs for ratepayers. Adopting the Reliability Threshold Mechanism before a determination is made in the RA proceeding would undermine the due process rights afforded to all parties participating in that proceeding.

**C. CCAs did not call for exemption from the IRP process, but highlighted the need for the Commission to collaborate and communicate with their governing boards.**

San Diego Gas & Electric Company (“SDG&E”) mistakenly interpreted several CCAs’ IRP narratives and assumed that CCAs wished to be exempted from the IRP proceeding and associated requirements.<sup>33</sup> Contrary to the arguments put forth by SDG&E, all CCAs intend to comply with the requirements in Public Utilities Code Section 454.51(a)(1), consistent with the directives in D.18-02-018, as demonstrated by CalCCA’s comments.<sup>34</sup> However, as CalCCA pointed on in its comments, the resource templates and the CNS GHG Calculator both need to be updated to ensure that CCAs can correctly provide their procurement planning inputs and

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<sup>32</sup> SCE IRP at page 20.

<sup>33</sup> SDG&E comments at pages 9-13.

<sup>34</sup> See CalCCA comments for GHG requirements

assumptions.<sup>35</sup> As the models currently stand, there are some irreconcilable differences between CCAs' internal modeling and the tools provided by the Commission staff, leading to many false modeling results, including overestimated energy and capacity needs.

PG&E expressed similar concerns and proposed that the Commission should clarify whether LSEs can update their IRPs between Commission's IRP cycles, and that different planning processes could threaten the cost-effectiveness of California's GHG reduction efforts.<sup>36</sup> CalCCA disagrees with PG&E's proposal that LSEs should not be allowed to update their IRPs outside of the Commission's process. First and foremost, these corrected and restated IRPs are not within the Commission's jurisdiction. Second, they are used by each CCA's governing board to broadly communicate the accurate CCA load and generation profiles and other data, given the inability to do so through the Commission's process. Third, they serve a different function than the compliance IRPs submitted to the Commission. CCAs' independent IRPs serve as a communication tool to various stakeholders – developers and the community at large, for example – the policy priorities and customer program details for a given CCA while the compliance IRPs submitted to the Commission operationalize and particularize the internal IRPs for utilization in underlying state-level planning.

Next, for many practical reasons, CCAs have different IRP cycles to accommodate their operational needs. CCAs launch at different times of a calendar year, enroll customers in several phases, and implement rates for various customer classes throughout the year. As stated above, the internal IRPs direct each CCA's strategies and communicate them to stakeholders. CCAs cannot procure resources unless their governing boards have approved their proposed planning

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<sup>35</sup> CalCCA comments at pages 23-26.

<sup>36</sup> PG&E comments at pages 19-21.

documents, which are often their IRPs. Legislation or other action to prohibit CCAs' governing boards from producing and utilizing IRPs as needed is unnecessary when all CCAs agree to provide the Commission with its needed data through the Commission's existing process on its existing timeline. In addition, such limitation would significantly disrupt CCA operations, and would be inconsistent with Public Utilities Code Section 366.2(a)(5). The disclaimers provided by MCE and MBCP in their IRP filings simply show that CCAs conduct their internal IRP cycles that meet their operational needs, and may utilize more accurate planning tools than provided currently by the Energy Division staff. CalCCA looks forward to working with the staff to refine the modeling tools moving forward, and individual CCAs have been engaging actively with the Energy Division staff.

Most importantly, the underlying statute mandating integrated resource planning by the Commission does not prohibit the generation of other planning documents that serve different purposes and different audiences. While CalCCA agrees with PG&E's overall sentiment that a more streamlined process is needed to accommodate different LSEs' planning cycles, CalCCA does not believe there is any need or authority to prohibit other internal planning processes taking place with CCAs. CalCCA welcomes the collaboration between the Commission and CCAs' governing boards, consistent with the sentiment expressed in D.18-02-018,<sup>37</sup> to help the state achieve GHG emissions reduction while maintaining a reliable grid in a cost-effective manner.

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<sup>37</sup> D. 18-02-018 at pages 29-30. The Commission intends "to work cooperatively and collaboratively with the CCA LSEs... in ensuring that their plans meet the requirements of the statute and of this decision. [The Commission] also will give due consideration to the priorities and policies of local governing boards of CCAs whose local objectives may differ, at least in emphasis, from the statewide requirements we adhere to."



**D. The Commission should provide LSEs with more clarity for disadvantaged communities and air quality planning requirements.**

CalCCA agrees with various suggestions to clarify the planning requirements for disadvantaged communities (“DACs”), particularly the ones put forth by the Sierra Club and CEJA.<sup>38</sup> While most of CalCCA’s members were able to identify the DACs they serve, and some CCAs provide existing policies and programs related to minimizing emissions, long term contracting and outreach, there was a lot of confusion related to the Nitrogen Oxide (“NOx”) and Particular Matter (“PM”) emission calculations. This confusion led to many CCAs not including the NOx and PM emission calculations in their IRPs.

CalCCA supports that the Commission clarifying what information would be important for LSEs to summarize in their DAC analysis, and hold workshops to improve LSEs’ understanding of these requirements.

**E. The Commission should provide a path for implementing SB 100 for future IRP cycles.**

Although the Reference System Plan adopted by the Commission in D. 18-02-018 set GHG targets for LSEs, the Reference System Plan noted that the end result of the IRP process was equivalent to the Commission adopting a 58% RPS requirement by 2030,<sup>39</sup> slightly below the 60% requirement adopted in SB 100. While CalCCA disagrees with many parties that the Commission should immediately implement a process with new GHG emissions benchmarks for LSEs based on a 60% renewable resource goal in its modeling,<sup>40</sup> CalCCA notes that this has

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<sup>38</sup> Sierra Club and CEJA comments at pages 35-36.

<sup>39</sup> D. 18-02-018 at page 58 states “An RPS of [approximately] 58% is a byproduct of achieving the 42 MMT carbon goal.”

<sup>40</sup> LSA at page 4, Vote Solar at page 1, ACC at page 4, CESA at page 2.

essentially been accomplished through the existing modeling, and would not affect planning before the next IRP cycle.

***1. The Commission should not require LSEs to re-submit their 2017-2018 IRP.***

TURN suggested that any IRP that is not compliant with the goals of SB 100 should be automatically rejected, and that LSEs should be required to re-submit their IRPs based on the new policy directives set by SB 100.<sup>41</sup> CalCCA opposes these suggestions. The IRPs submitted on August 1, 2018 were based on the applicable laws and regulations in place on that date. In addition, in order to submit IRPs based on the new policy directives, the Commission staff will need to first modify the assumptions in the model, and LSEs would then have to develop new plans based on those new assumptions. This defeats the purpose of a 2-year IRP cycle if updates are constantly required in-between, as well as well as imposing a significant administrative burden on LSEs. More importantly, SB 100 does not require LSEs to retroactively redo their IRPs before the next IRP cycle.

As stated above, CalCCA supports the Commission and staff revising the planning models and tools based on the new state policy goals for future IRP cycles.

**F. Several critiques of CCAs' IRPs demonstrate the need for stakeholders to work with the Energy Division to improve the modeling tools and templates.**

Several parties provided comments on CCAs' modeling and forecast results and argued that CCAs' planning lacked specificity, or did not account for specific resources or system needs. CalCCA appreciates these critiques, and highlights the importance for the Energy Division and

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<sup>41</sup> TURN comments at page 2.

the CCAs to continue to collaboratively improve the assumptions of the modeling tools, and the templates for LSEs to input their procurement planning activities.

- TURN suggested that the Energy Division should evaluate whether there will be sufficient unspecified energy to meet CCA demand;<sup>42</sup>
- CalWEA argues that CCAs' IRPs do not conform to the Reference System Plan due to the lack of specificity;<sup>43</sup>
- CalWEA suggested that there may not be enough Behind the Meter ("BTM") solar to meet CCA demand;<sup>44</sup> and
- LSA argues that CCAs did not adequately address transmission needs.<sup>45</sup>

In response to these comments, CalCCA offers several insights related to its members' procurement.

Many of the CCAs under criticism for not providing sufficient specificity related to their contracts have just begun to enroll customers in 2018. These newer CCAs have not conducted their long-term resource solicitation processes due to uncertainty associated with customer opt-out, and will likely solicit long-term resource contracts once the load forecast becomes more certain. This practice is consistent with many CCAs' governing boards' energy procurement risk management policies, and is an important protection for ratepayers. CalCCA anticipates that newer CCAs will be able to provide more specificity on their contracts in the next IRP cycle, once they have been operating for more than a fraction of one year.

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<sup>42</sup> TURN comments at page 5.

<sup>43</sup> CalWEA comments at pages 10-11.

<sup>44</sup> CalWEA comments at page 6.

<sup>45</sup> LSA comments at page 5.

In response to TURN’s critique of overreliance on unspecified system energy, CalCCA notes that all of the excess IOU energy contracts are available to serve this purpose, so there is a significant market excess of available supply. In addition, there is not a requirement for LSEs to make a showing of the balance between overall supply and demand of energy and capacity resources at the time of the filing. Instead, capacity balance requirements are part of the RA program, requiring that LSEs carry capacity two years ahead of time. Furthermore, since several CCAs have just started operations, it is not realistic to expect that they would have comprehensive energy-balanced and capacity-balanced portfolios in place at the time of this filing. Relying on market or “unspecified” purchases is therefore prudent, especially since the RESOLVE model as well as long term assessments from North American Electricity Reliability Corporation (“NERC”) indicate that there will be plenty of conventional capacity available, at least into the middle of the next decade.<sup>46</sup>

Regarding the BTM solar over-projection critique, CCAs view BTM solar resources as demand side resources,<sup>47</sup> and typically model them as load modifiers, as is required within the CAISO. If a CCA’s projected BTM solar resource is lower than projected, that CCA’s load loss is reduced, and will meet that demand through its supply side procurement. It should be noted that the BTM solar assumption stems from the CNS GHG Calculator tool provided by the Commission and is a number that is provided by default for every LSE based on the demand forecast entered in the spreadsheet, and was not customized by LSEs. If BTM solar were to expand slower than expected, LSEs are likely to pursue other means of securing sufficient renewable energy in their portfolios, such as securing grid connected larger scale solar that could

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<sup>46</sup> 2017 Long-Term Reliability Assessment  
[https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC\\_LTRA\\_12132017\\_Final.pdf](https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_LTRA_12132017_Final.pdf)

<sup>47</sup> CalCCA comments at page 24.

meet the incremental demand for renewable resources if expectations around BTM solar fail to materialize. LSEs may also pursue programs to stimulate BTM solar adoption if needed.

In response to LSA's criticism regarding inadequately addressing transmission in their IRPs, CalCCA notes that CCAs do not own or operate any transmission or distribution, and do not have the jurisdiction or access to proper data and tools to model and address transmission resources in their IRPs. Furthermore, the default Reference System Plan modeling results suggests that this plan can be achieved without any new transmission investments. The Reference System Plan input assumptions also provide estimates of how much capacity can be built of each new potential resource without adding new transmission. Therefore, LSEs used this as a guide for resource selection in their conforming portfolios – resulting in proposed resource portfolios that do not require new transmission.

CalCCA also notes that since LSE IRP analyses were completed concurrently, there is a risk that many LSEs propose to use the same potential resources, thereby triggering a potential need for new transmission. This circumstance can however only be examined by the Commission staff upon reviewing all IRP submissions together. Without having other LSEs' modeling results ahead of time, it would be impossible for individual LSEs to perform this analysis since each LSE has information only about their own portfolio relative to the Reference System Plan at the time of filing the IRP.

Finally, transmission to support new renewable resources is project-specific. It is therefore premature to include such discussions in the IRP until there are specific concrete projects to consider, especially since the resource base and model that LSEs were working with to prepare their IRPs is very generic and does not permit such project- and location-specific discussions of transmission. For example, new potential resources such as "Solano Solar" or

“Northern California Wind” only provide a very high level indication of their location (the resource name) and say nothing of the potential transmission lines and voltage levels needed to support these potential projects. The more appropriate time to review and discuss transmission costs is when the LSE has specific projects to consider, for example in evaluating responses to planned RFPs/RFOs, where transmission costs will clearly be a major consideration in evaluating project cost and feasibility. Several CCAs will perform this activity in due course as part of their action plans, which are discussed in their respective IRP reports.

### **III. CONCLUSION**

CalCCA thanks Assigned Commissioner Randolph and Assigned Administrative Law Judge Fitch for the opportunity to provide these reply comments.

Respectfully submitted,

/s/ Beth Vaughan

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